



COMMITTEE ON PUBLIC ACCOUNTS

(2006-2008)

HUNDRED AND SEVENTEENTH REPORT

(TWELFTH ASSEMBLY)

Report of the Committee on Public Accounts, Assam
Legislative Assembly on the Appropriation Accounts
for the years 2002-03, 2003-04 and
2004-05 Government of Assam.

Presented to the House on 3rd April, 2008.

ASSAM LEGISLATIVE ASSEMBLY SECRETARIAT,
DISPUR, GUWAHATI-6.

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COMPOSITION OF THE COMMITTEE

Chairman:

1. Shri Brindaban Goswami

Members:

2. Shri Sarat Borkotoky
3. Shri Rameswar Dhanowar
4. Shri Gobinda Chandra Langthasa
5. Shri Abdul Khaleque
6. Shri Rajib Lochan Pegu
- * 7. Shri Padma Hazarika
8. Shri Phani Bhusan Choudhury
9. Smti Kamali Basumatari
10. Shri Parimal Sukla Baidya
11. Shri Jagat Singh Engti
12. Shri Anwarul Hoque
13. Shri Akon Bora

Secretariat:

1. Shri G.P.Das, Secretary
 2. Shri B. Basumatari, O.S.D.
 3. Shri K. Rahman, C.O.
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* Shri Padma Hazarika, MLA has been elected as Member w.e.f. 16-11-2007 vice Shri Chandra Mohan Patowary has tendered resignation being appointed as the Leader of the Opposition, Assam Legislative Assembly.

PREFATORY REMARKS

1. Shri Brindaban Goswami, Chairman, Committee on Public Accounts, Assam Legislative Assembly having been authorized to submit the report on its behalf present this Hundred and Seventeenth Report of the Committee on Public Accounts on the respective grants mentioned in the Comptroller and Auditor General of India in its Report pertaining to Appropriation Accounts for the years 2002-03, 2003-04 and 2004-05 relating to the Government of Assam.

2. The Committee has inter-alia examined the financial dealing as pointed out in the mentioned Reports which had been presented to the House on 3rd March, 2004, 3rd March, 2005 and 8th February, 2006.

3. The Appropriation Accounts for the years 2002-2003, 2003-2004 and 2004-05 contained in the Reports of the C & A.G. of India have been examined and considered by the Committee in its sittings held on 8.8.06, 9.8.06 and 12.10.06.

4. While discussed, the specific Appropriation on a particular grant as reported by the C & A.G. of India the views of official representatives of the concerned Government Departments have been obtained as to why the excess/savings were resulted in those grants. Having duly considered the submission of official representatives on specific Grants, thereupon the Committee has made its observations but expressed its pleasure for extending wholehearted co-operation of all officials of those departments concerned to the Government of Assam.

5. The Committee has appreciated the valuable assistance rendered by the Principal Accountant General (Audit), Assam as well as his juniors.

6. The Committee appreciates officials for their sincere services of Assam Legislative Assembly Secretariat who devoted ungrudgingly to the Committee during the course of examination and finalization of this report.

7. The Committee has considered the Draft Report on 5th March, 2008 and approved it on the same date.

BRINDABAN GOSWAMI

Dispur :
The 5th March, 2008.

Chairman,
Committee on Public Accounts.

REPORT

The excess expenditure over the Grants Voted by the Assembly and Charge Appropriation seems apparent to be a continuing phenomenon owing to lack of proper exercising the effective control and suitable check on the financial management of the Government of Assam. Every year a large number of Voted Grants/Charge Appropriation as provided for in the Appropriation Act have been transacted through the various departments of the Government. It also seems that the Government of Assam do not organize a fool-proof system to monitor the flow of expenditure and to exercise control on over spending in order to restrict the expenditure within the limit of the Grant Voted by the Assembly for a particular service, there by leads to incur a large sum of excesses.

2. The Committee on Public Accounts has curiously noticed the excess expenditure incurred over the Voted Grants and Charge Appropriation as summarized in the statement given below:

(Rs.in Crore)

year	No. of excess Voted Grant	Excess over Charge Appropriation	Excess over Voted Grant	Charge Appropriation	Total
1	2	3	4	5	6
2002-2003	5	6	109.54	1509.32	1618.86
2003-2004	4	3	3.44	400.92	404.36
2004-2005	5	6	0.81	5.07	5.88
Grand Total	14	15	113.79	1915.31	2029.10

3. During the course of examination of Appropriation Accounts of Council of Ministers under Grant No. 2, the official witnesses submitted before the Committee that there was no excess during the year but there was savings in the year under consideration. The Committee observed that detailed facts and figures of the expenditure made by the department has not submitted to the A.G. on time. From the record submitted by the department it is seen that the amount was surrendered in the month of July instead of March. The Committee is not satisfied and directed to avoid such practice.

4. During the course of discussion with the representatives of Pension and Public Grievances Department the Committee observes that the budget under Grant No.23 is actually meant for covering all the expenditure on pension, Family pension, encashment of unutilized earned leave, Medical Allowance, Gratuity, commutation and also re-imbursment of medical expenses of all the State Government pensioners. The discrepancy between budget and expenditure was due to the fact that vouchers and scrolls data wise could not be furnished by some of the treasuries along with the payment schedule to the office of the A.G. as the same were not submitted by the Six Nationalized Banks under the payment of pension through Public Sector Banks to Government pensioners scheme. The Committee feels that in spite of incurring huge excess expenditure by the department it is reported that large numbers of pensioners are suffering lot for not getting pensions in time. It is also feels that the pension proposals are not received with full documents so, sometimes it takes time while disposing of the cases. More over, the departments concerned are not submitting proposals in time. The Committee, therefore, recommends that each and every entitled retired Govt. employee should get the pension and ancillary pensioners benefit immediately after the superannuation without waiting for any further time of up-to date service records from the retiring department from the budget provision made thereof. The Committee further recommends that the Commissioner & Secretary to the Government of Assam, Pension & Public Grievances department, may issue notices to all the Directorates of Assam to collect the datas of employees who will be going on retirement in the next year and to submit a detailed report to the Commissioner & Secretary, P.P.G. before six months ahead i.e. during the month of September each and every year to make a realistic budget, failure of which the officer concerned should be made responsible.

5. The Committee is very much constrained to note that excess occurring year after year by the Irrigation department under Grant No. 49, the Grant of expenditure shows that the department has not only been incurring excess over the Grant Voted by the Assembly but also failed to keep spending within the budget limit and to improve financial control accordingly to the existing financial procedure of the Government. The Committee observes that the department could not utilize the fund properly which were voted by the Assembly. During the course of discussion it comes to the notice of the Committee that there are gross financial irregularities in implementation of every major schemes under Irrigation department. Therefore, the Committee decided to make spot visit to some schemes implemented by the department in the districts of Barpeta, Darrang, Sonitpur

and Nagaon w.e.f. 22nd to 25th November 2006. The Committee during its tour to those projects found gross irregularities especially in implementation of Bordikrai Irrigation Project (Itakhola Division (Sonitpur). The Committee presented an Interim Report (112th report) before the House on 30th March, 2007 here the financial irregularities has been reflected and recommends to constitute a High Power Inquiry Committee comprising of the Chief Secretary to the Government of Assam as Chairman, the Chief Engineer, Irrigation, Assam as Member Secretary and the Commissioner & Spl. Secretary to the Govt. of Assam, PWD as Member and to make an enquiry on the matter and to submit a report to the Committee. Accordingly, the Chief Secretary has submitted a report to the committee with a request to take up the matter with the Home Department for taking necessary action against the fraudulent officials involved in the irregularities. The matter is now under Home department for further inquiry. Had there steps towards right direction been taken by the department there would not appear such chaotic condition so stood.

6. During the course of discussion with GAD the departmental representatives have deposed that as regards Grant No. 47 the total Grant Rs. 42.63 lakh under Head of Account " 3475" the department had incurred expenditure for Rs. 41,20,827 and surrendered Rs.1, 42,173 as savings. But so far as Grant No. 21 is concerned at least 15 days time may be allowed for submission of details accounts to the Committee. The Committee expresses its concern that regarding Grant No. 21 the department could not submit the facts and figures of expenditure in time although three years have already been elapsed. The department should take it very seriously so that this kind of delay should not happen in future. The Committee feels that the Legislature had sanctioned the amount through Appropriation bill particularly to the Guest House. There is a budget provision of an account. Again the department asked for Supplementary, showing that the Original demand had not fulfilled. The Supplementary demand also sanctioned. The department had exceeded in fact more than 50% from the original and supplementary Grant. The said amount should had been surrendered as shown in the Appropriation Accounts. The department had not submitted monthly accounts and again reconciliation was not made. The Committee therefore has suggested the department that all the Circuit Houses/Guest Houses are in a deplorable condition so necessary steps should be taken by the department for repairing the Circuit House/Guest Houses and should be directed the district authority to keep neat and clean.

7. During the course of discussion with the representatives of Finance Department on Grant No. 10 the Committee asked the department that the irregularities committed by the department which was brought to the notice of PAC by the Principal Accountant General, the representatives of the Finance department should have to explain properly to convince the Committee what actually happened. Since, Finance Department is a nodal department and should be very serious. The representatives of Finance department explained that unless the entire system of all accounts have not maintained properly through the computerization at different levels it is very difficult to say actual happenings to-day. Meanwhile, computerizations already been started which is better now. There is no extra expenditure against this Grant, basically it is savings. The C.F. advance of Rs. 10 lakh should have been regularized through the Supplementary Demand. The Committee observes that out of this total Grant earlier released to the department Rs. 1.53 and Rs. 1.16 lakh. So department's replies should have to come Rs. 1.53 and Rs. 1.16 Lakh. The original is original Grant which is operated by the Director of Small Savings and Director of Financial Inspection. The Commissioner & Secretary, Finance Department admitted that is a great mistake and will be replied to the Assembly. The Committee accepted the opinion of the Commissioner and asked to reflect the matter because the Finance Department is the nodal department, but it is happening in the Finance Department. The Committee opined that the Finance Department has been misleading the PAC and so this point should clarify by them to the Committee. The Commissioner & Secretary, UDD stated that actually the amount does not belong to UDD. This amount was received from the Transport department. The department received sanction in 2003-2004 was Rs. 2.98 lakh and drawn Rs. 2.96 lakh in 2004-2005 Rs. 2 lakh less. As a result there was no excess expenditure in UDD under this Grant. The representatives of Finance Department stated that the Grant No. 66 actually relates to the assessment of money in Panchayati Raj. Money collected by the Education department then operated between the Panchayat Department and UDD. The Committee allowed one month time to the Finance department as requested to clarify the points. The department did not clarify the matter to the Committee till date.

During the course of examination on Grant No. 66 the representatives of Finance department stated that apart from Finance department other departments are also operating the accounts. These departments are Revenue, Transport, UDD etc. However, the excess expenditure may be sorted out if the departments as mentioned above come to Finance department. The

views of the C &AG (Audit) Assam is that regarding Grant No 66 is that there is definitely grant controlling department. Whenever the Finance Department come before the August Committee the grant controlling departments should present with the Finance Department to clarify the points as raised by the Committee.

8. With regard to spending amounts from a single/ particular Grant by more than one departments, the Committee has observed that at the time of furnishing explanation to the Committee during consideration of Appropriation Accounts, several spending departments have failed to furnish satisfactory replies on the excess expenditure by them during a specific financial years. Further, non-reconciliation of the Accounts well in time by the concerned DDOs of the Government Departments with the actual spending figures of the A. G (A & E) Assam has come to sharp notice of the Committee. After threadbare discussion with the representatives of several departments in presence of the Principal Accountant General (Audit) Assam, the Committee arrived at a consensus with a view to avoid wrong booking of the figures of departments that there should be reconciliation positively relating to Appropriation Accounts quarterly with the Audit authority round the financial year, according to a Calendar issued by the A.G. from time to time.

9. After threadbare joint discussion with almost all the departmental representatives, the Committee with great restraint arrives at a conclusion and recommends regularization by the State Legislature of the fell wing excess expenditure incurred by the departments over the Voted Grants/Charged Appropriation as required under Article 205 of the Constitution of India as reported in the Report of the Comptroller and Auditor General of India (Civil) and Appropriation Accounts for the years 2002-03, 2003-04 and 2004-05.

Sl. No.	No. and name of Grants/ Appropriation	Amount of Excess to be regularized	Rupees in crores
1	2	3	4

1. 2002-2003 Voted Grants

1. 2 - Council of Ministers-	Revenue-	12,79,406	=	13.00
2. 21-Guest House, Govt Hostels	Revenue	2,28,99,747	=	229.00

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3. 23-Pension and Other Retirement Benefit Revenue- 98,89,01,944 = 9889.00

4. 49- Irrigation Revenue- 7,68,04,040 = 768.00

2. 2002-03 Charged Appropriation

1. 4- Elections Revenue- 1,716 = 0.01

2. 6-Land Revenue & Land Ceiling Revenue - 5,89,896 = 6.00

3. 23- Pensions and Other Retirement Benefits Revenue - 41,45,342 = 41.00

4. 49 - Irrigation Revenue - 1,73,411 = 2.00

5. 67- Assam Capital Construction Capital - 54,79,677 = 55.00

6. Public Debt & Servicing of Debt. Capital - 15,08,57,98,104 = 150858.00

3. 2003-04 Voted Grants

1. 10-Other Fiscal Service Revenue - 19,695 = 0.19

2. 19- Vigilance Commission & Others Revenue - 2,30,07,783 = 230.00

3. 66 - Compensation & Assignment to Local Bodies & Panchayati Raj Institutions. Revenue - 49,61,000 = 50.00

4. 2003-04 Charged Appropriation

1. 12-District Administration Revenue - 3,41,039 = 3.00

2. 23-Pension & Others Retirement Benefit Revenue - 36,57,350 = 37.00

3. 34- U.D. (M A D) Capital - 63,50,000 = 64.00

4. Public Debt & Servicing of Debt. Capital - 4,00,52,24,100 = 40052.00

5. 2004-05 Voted Grants

1. 42- Social Service Revenue - 49,269 = 0.49

2. 47- Trade Adviser Revenue - 26,29,795 = 26.00

6. 2004-05 Charged Appropriation

1. 12- District Administration Revenue - 71,91,195 = 72.00

2. 14- Police Revenue - 1,20,45,239 = 120.00

3. 18 - Fire Service Revenue - 30,51,636 = 31.00

4. 31- U. D (T & CP) Capital - 36,75,000 = 37.00

5. 36 - Labour & Employment Revenue - 13,54,425 = 14.00

6. 49 - Irrigation Revenue - 1,91,04,076 = 191.00

7. 56 - Rural Development Revenue - 79,76,669 = 80.00

8. 58 - Industries Capital - 6,30,919 = 6.00

9. 73 - U. D (GDD) Capital - 10,48,009 = 10.00